

Office of the
Legislative Fiscal Analyst

FY 2002 Budget Recommendations

Joint Appropriations Subcommittee for
Community Development and Human Resources

Human Resource Management

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1.0 Summary: Human Resource Management

The department manages the state's personnel system, including the state's pay plan and classification system. It also runs a training program, maintains an information system, runs the FLEX Benefits program, and presents the Governor's Conference on Management.

	Analyst FY 2002 Base	Analyst FY 2002 Changes	Analyst FY 2002 Total
Financing			
General Fund	2,995,600		2,995,600
Dedicated Credits Revenue	277,000		277,000
Beginning Nonlapsing	85,400		85,400
Closing Nonlapsing	(85,400)		(85,400)
Total	\$3,272,600	\$0	\$3,272,600
Programs			
Administration	609,700		609,700
Classification and Compensation	682,300		682,300
Employment Services	620,500		620,500
Flex Benefits	15,000		15,000
Management Training	260,000		260,000
Information Technology	1,085,100		1,085,100
Total	\$3,272,600	\$0	\$3,272,600
FTE/Other			
Total FTE	40		40

2.0 Human Resource Management Issues

Internet Access Licensing

DHRM wants to advertise jobs on the internet. This requires an internet access license at a cost of \$84,000. They will pay for half with carry-forward funds. The increased exposure should increase employee quality and may decrease the amount of time needed to fill positions. This is a one-time request. They will also advertise through Workforce Services but their system is not compatible with the merit system or Utah Code requirements, or EEOC reporting requirements. In addition the information must be integrated into the entire system. Licensing is for internal (state) recruiters. The Analyst would fund this if funding were available.

Unix Computer

DHRM has two Unix computers that are used as part of daily operations. The ideal life for these machines is three years but they can go as long as five years. Currently, one box is five years old and the second is one-and-a-half years old. However, the second was purchased used and is the same make and model as the first. DHRM will soon lose vendor support of these machines. Cost is \$79,000 in one-time General Fund. The Analyst would fund this item if funding were available.

3.0 Programs: Human Resource Management

3.1 Administration

Recommendation The Analyst's recommends \$609,700.

	2000	2001	2002	Est/Analyst
	Actual	Estimated	Analyst	Difference
Financing				
General Fund	624,100	617,500	607,700	(9,800)
Dedicated Credits Revenue	7,000	5,000	2,000	(3,000)
Total	<u>\$631,100</u>	<u>\$622,500</u>	<u>\$609,700</u>	<u>(\$12,800)</u>
Expenditures				
Personal Services	461,400	512,400	500,400	(12,000)
In-State Travel	400	400	400	
Out of State Travel		500	500	
Current Expense	146,200	103,700	102,900	(800)
DP Current Expense	5,500	5,500	5,500	
Capital Outlay	17,600			
Total	<u>\$631,100</u>	<u>\$622,500</u>	<u>\$609,700</u>	<u>(\$12,800)</u>
FTE/Other				
Total FTE	6	6	6	

Purpose Administration provides leadership and financial, accounting, public information, legislative liaison and personnel services to the rest of the division.

Intent The Analyst recommends the following intent statements:

It is the intent of the Legislature that these funds not lapse.

It is the intent of the Legislature that the FY2002 compensation package for state employees have retrospective application to June 23, 2001, to coincide with the state payroll period.

The Legislature intends that the Division develop performance measures for each program and where possible prepare a five-year history of those measures for the FY 2002 session.

3.2 Classification & Compensation

Recommendation The Analyst recommends a budget of \$682,300.

	2000	2001	2002	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
General Fund	619,900	698,000	682,300	(15,700)
Dedicated Credits Revenue	100			
Total	\$620,000	\$698,000	\$682,300	(\$15,700)
Expenditures				
Personal Services	612,600	684,600	667,400	(17,200)
In-State Travel	600	300	600	300
Out of State Travel	1,900	1,900	1,900	
Current Expense	3,800	10,100	11,300	1,200
DP Current Expense	1,100	1,100	1,100	
Total	\$620,000	\$698,000	\$682,300	(\$15,700)
FTE/Other				
Total FTE	14	14	14	

Purpose This program maintains the State's Classification and Pay Plan. Salary surveys identify occupations whose pay isn't aligned with competitors. This helps reduce turnover and training costs. Job audits assure proper job classification.

Activity They have streamlined and improved classification procedures by delegating appropriate processes to agencies. Working with the Division of Finance they have developed Dual Employment policies which have eliminated the "Temporary" payroll.

3.3 Employment Services

Recommendation The Analyst recommends a budget of \$620,500.

	2000	2001	2002	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
General Fund	641,300	634,000	620,500	(13,500)
Dedicated Credits Revenue	100			
Total	\$641,400	\$634,000	\$620,500	(\$13,500)
Expenditures				
Personal Services	612,500	608,700	594,200	(14,500)
In-State Travel	300	300	300	
Out of State Travel	900	900	900	
Current Expense	25,300	21,700	22,700	1,000
DP Current Expense	2,400	2,400	2,400	
Total	\$641,400	\$634,000	\$620,500	(\$13,500)
FTE/Other				
Total FTE	10	10	10	

Purpose By request, Employment Services develops personnel recruitment and selection policies for state agencies. It also provides training and technical support on employee relations, fair employment practices, diversity and liability prevention including sexual harassment training and drug testing.

3.4 FLEX Benefits

Recommendation

The Analyst recommends a budget of \$15,000. This budget only includes FLEX funds not used by employees.

	2000	2001	2002	Est/Analyst
	Actual	Estimated	Analyst	Difference
Financing				
Dedicated Credits Revenue	20,900	1,000	15,000	14,000
Beginning Nonlapsing	10,600	9,500	9,500	
Closing Nonlapsing	(9,500)	(9,500)	(9,500)	
Total	<u>\$22,000</u>	<u>\$1,000</u>	<u>\$15,000</u>	<u>\$14,000</u>
Expenditures				
Current Expense	21,900	900	14,900	14,000
Other Charges/Pass Thru	100	100	100	
Total	<u>\$22,000</u>	<u>\$1,000</u>	<u>\$15,000</u>	<u>\$14,000</u>
FTE/Other				

Purpose

This is an IRS Section 125 program that allows employees to deduct medical and dependent care costs from payroll on a pre-tax basis. Unused funds may be distributed to all participants or used for administrative costs. It saves employees money and saves the state in unpaid FICA premiums.

3.5 Human Resource Management Training

Recommendation The Analyst recommends a budget of \$260,000.

	2000	2001	2002	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
Dedicated Credits Revenue	220,700	260,000	260,000	
Beginning Nonlapsing	75,500	41,800	41,800	
Closing Nonlapsing	(41,800)	(41,800)	(41,800)	
Total	\$254,400	\$260,000	\$260,000	\$0
Expenditures				
Personal Services	1,000	1,000	1,000	
In-State Travel	1,100	1,100	1,100	
Out of State Travel	5,100	5,100	5,100	
Current Expense	233,500	239,100	239,100	
DP Current Expense	13,700	13,700	13,700	
Total	\$254,400	\$260,000	\$260,000	\$0
FTE/Other				

Purpose This program is designed to reduce liability claims and improve management skills. It developed a Liability Master plan with Risk Management and presents Certified Public Manager (CPM) training.

3.6 Information Technology

Recommendation The Analyst recommends a budget of \$1,085,100.

	2000	2001	2002	Est/Analyst
	Actual	Estimated	Analyst	Difference
Financing				
General Fund	1,071,900	1,088,800	1,085,100	(3,700)
Beginning Nonlapsing	76,300	34,100	34,100	
Closing Nonlapsing	(34,100)	(34,100)	(34,100)	
Total	<u>\$1,114,100</u>	<u>\$1,088,800</u>	<u>\$1,085,100</u>	<u>(\$3,700)</u>
Expenditures				
Personal Services	719,900	735,200	719,700	(15,500)
Out of State Travel	5,000	5,000	5,000	
Current Expense	22,500	31,700	31,500	(200)
DP Current Expense	294,900	281,900	281,900	
DP Capital Outlay	71,800	35,000	47,000	12,000
Total	<u>\$1,114,100</u>	<u>\$1,088,800</u>	<u>\$1,085,100</u>	<u>(\$3,700)</u>
FTE/Other				
Total FTE	10	10	10	

Purpose This client server system delivers information to the desktop rather than through the mainframe. It is designed so that information is only entered once and then flows to update multiple employee records. Managers and Human Resource Specialists have access to a variety of standard reports and the ability to do custom reports and searches in real time without mainframe costs.

Activity The Division enhanced the scope of the Human Resource Management Information System – HR Enterprise. This past year they added Job and Position Analysis. They are now working on a new fully integrated, web-enabled Recruitment component.

Internet Access Licensing DHRM wants to advertise jobs on the internet. This requires an internet access license at a cost of \$84,000. They will pay for half with carry-forward funds. The increased exposure should increase employee quality and may decrease the amount of time needed to fill positions. This is a one-time request. They will also advertise through Workforce Services but their system is not compatible with the merit system or Utah Code requirements, or EEOC reporting requirements. In addition the information must be integrated into the entire system. Licensing is for internal (state) recruiters. The Analyst would recommend \$42,000 in one-time General Fund if funding were available.

Unix Computer

DHRM has two Unix computers that are used as part of daily operations. The ideal life for these machines is three years but they can go as long as five years. Currently, one box is five years old and the second is one-and-a-half years old. However, the second was purchased used and is the same make and model as the first. DHRM will soon lose vendor support of these machines. Cost is \$79,000 in one-time General Fund. The Analyst would fund this item if funding were available.

4.0 Additional Information

4.1 Funding History

	1998	1999	2000	2001	2002
	Actual	Actual	Actual	Estimated	Analyst
Financing					
General Fund	2,712,400	2,847,500	2,957,200	3,038,300	2,995,600
Dedicated Credits Revenue	360,200	343,000	248,800	266,000	277,000
Beginning Nonlapsing	234,500	149,500	162,400	85,400	85,400
Closing Nonlapsing	(149,500)	(162,400)	(85,400)	(85,400)	(85,400)
Total	\$3,157,600	\$3,177,600	\$3,283,000	\$3,304,300	\$3,272,600
Programs					
Administration	497,300	638,100	631,100	622,500	609,700
Classification and Compensation	523,400	610,000	620,000	698,000	682,300
Employment Services	586,700	658,900	641,400	634,000	620,500
Flex Benefits	30,200	(800)	22,000	1,000	15,000
Management Training	379,500	231,700	254,400	260,000	260,000
Information Technology	1,140,500	1,039,700	1,114,100	1,088,800	1,085,100
Total	\$3,157,600	\$3,177,600	\$3,283,000	\$3,304,300	\$3,272,600
Expenditures					
Personal Services	2,155,700	2,338,200	2,407,400	2,541,900	2,482,700
In-State Travel	(100)	2,100	2,400	2,100	2,400
Out of State Travel	12,900	10,800	12,900	13,400	13,400
Current Expense	546,900	437,700	453,200	407,200	422,400
DP Current Expense	312,800	319,300	317,600	304,600	304,600
DP Capital Outlay	125,000	70,900	71,800	35,000	47,000
Capital Outlay			17,600		
Other Charges/Pass Thru	4,400	(1,400)	100	100	100
Total	\$3,157,600	\$3,177,600	\$3,283,000	\$3,304,300	\$3,272,600
FTE/Other					
Total FTE	41	41	40	40	40